

Health Insurance

Introduction

- Washington residents with health care coverage receive it from a variety of sources including employers, individual plans, and the government.
- In 2004, 69% of adults ages 19-64 obtained health insurance through their own or their spouse's employer or union. During the same time, 58% of all children ages 0-18 and 62% of children ages 10-18 received health insurance through their parents' employer.¹
- Similar to national trends, employer-based insurance premiums in Washington have risen dramatically in the past decade. In addition to premiums, those with employer-based coverage are being required to pay out-of-pocket for services, either with deductibles or co-payments.

Uninsured

- In 2004, approximately 606,000 Washington residents or about 10% of the population was uninsured, up from about 8% in 2002.² This change was not statistically significant.
- Washington residents at increased risk of being uninsured include the poor or near-poor, those who live in rural areas, non-citizens, those who report fair or poor health, or those who report a disability.³
- Seventy-nine percent of survey respondents without health insurance reported cost as the barrier to their having insurance.⁴
- In 2004, approximately 98,000 children ages 0-18 or 6.0% of the child population was uninsured, up from 4.5% in 2002. This change was not statistically significant.²

Health and Recovery Services Administration (formerly Medical Assistance Administration)

- Health and Recovery Services Administration (HRSA) of the Washington State Department of Social and Health Services provides managed-care and fee-for-service health care insurance to low-income people in Washington primarily through a federal/state Medicaid partnership.
- Low-income pregnant women with household incomes up to 185% of the federal poverty level (FPL), (a monthly income of \$2,984 for a family of four in 2005), are eligible for medical coverage.
- Children in households with incomes below 200% FPL (a monthly income of \$3,225 for a family of four in 2005) are eligible up to age 19.
- Members of families receiving cash assistance (TANF) and people with disabilities are also eligible for coverage.
- An extensive array of services is covered, including: inpatient and outpatient care, physician services, lab and x-ray, nursing facility services, family planning, home health

¹ Gardner, E. Health Insurance by Work Characteristics: 2004. 2004 Washington State Population Survey Research Brief No. 34. Washington State Office of Financial Management, April 2005 and E. Gardner, personal communication.

² Gardner, E. The Uninsured Population in Washington State. 2004 Washington State Population Survey Research Brief No. 31 (revised). Washington State Office of Financial Management, February 2005.

³ Gardner, E. Characteristics of the Uninsured: 2004. 2004 Washington State Population Survey Research Brief No. 32. Washington State Office of Financial Management, February 2005.

⁴ 2004 Washington State Population Survey, Medical Insurance Data Tabulations posted at <http://www.ofm.wa.gov/sps/2004/tabulations.asp>. Accessed 6/14/05.

and nurse-midwife services, additional medically necessary services, outpatient drugs, durable medical equipment, dental services, physical, speech and occupational therapy, preventive care and well-child visits.

- Currently, no cost-sharing is required for Medicaid clients, although monthly premiums for those children covered in Washington whose coverage is not mandated by federal law have been proposed in the past few years.
- Six-month eligibility reviews for children were instituted in April 2003 resulting in cost-savings but also children being dropped from Medicaid. In April 2005, the state reverted to 12-month continuous eligibility for children on Medicaid.
- 36,118 women who gave birth were covered by Medicaid in 2003, 45.6% of all Washington State births.⁵
- 664,983 children ages 0-18 received Medical Assistance at some point in 2003, 43.7% of all children ages 0-18 in Washington State.⁶ About 33% of children were receiving Medical Assistance at any given time.⁷
- *Healthy Options* is the Medical Assistance managed-care program that included 8 health plans in 2003. *Healthy Options* covered 48.1% of Medicaid-paid births, and 73% of children ages 0-18 on Medicaid in 2003.^{8,9}
- Website: <http://fortress.wa.gov/dshs/maa>

Children's Health Insurance Program (CHIP)

- The Children's Health Insurance Program provides insurance to children in families whose income is too high for Medicaid but still falls within CHIP's guidelines.
- Children in households with incomes from 200-250% FPL (a monthly income between \$3,226 and \$4,032 for a family of four in 2005) are eligible up to age 19.
- Benefits and choice of health plans are the same as for Medicaid.
- Monthly premium of \$15 per child, up to \$45 maximum per family.
- Approximately 13,000 children receive CHIP each month, 84% of whom are enrolled in managed care.
- Website: <http://fortress.wa.gov/dshs/maa/CHIP/Index.html>

Basic Health

- The Basic Health Plan is a reduced-cost, state-sponsored health coverage program administered by the Washington State Health Care Authority.
- The Basic Health Plan contracts with five health plans across the state.
- Services covered include hospitalization, provider visits, emergency services, and prescriptions.
- The Basic Health Plan has a sliding-scale premium based on age, income, family size, and health plan selected.
- Co-payments for preventive-care services are required.

⁵ Cawthon, L. Eligibility Status for Washington Women with Medicaid-Paid Births in 2003, Washington State Department of Social and Health Services, First Steps Database, 2/23/05.

⁶ Washington State Department of Social and Health Services, Research and Data Analysis Division, 2003 Client Data 2003, <http://www1.dshs.wa.gov/rda/research/clientdata/2003/default.shtm>. Accessed 8/12/05.

⁷ Gardner, E. Washington State Office of Financial Management, personal communication, August 2005.

⁸ Cawthon, L. Managed Care Enrollment Status for Washington Women with Medicaid-Paid Births, 1993-2003, Washington State Department of Social and Health Services, First Steps Database, 2/23/05.

⁹ DSHS Human Services in Your County, July 2002-June 2003, Washington State Department of Social and Health Services, Research and Data Analysis Division. Accessed from <http://www1.dshs.wa.gov/excel/ms/rda/2003/state.xls> 6/01/05.

- \$150 annual deductible and \$1,500 annual out-of-pocket maximum per person (maximum applies to coinsurance charges only). Enrollee co-payment or coinsurance applied to most services.
- As of December 2004, included 97,273 enrollees; 81,605 adults and 15,668 children. Over 50% had family incomes less than 100% FPL.¹⁰
- Website: <http://www.basicealth.hca.wa.gov/>

Basic Health *Plus*

- The Basic Health *Plus* Program is coordinated by Washington State Department of Social and Health Services and Washington State Health Care Authority for children who are Medicaid eligible and whose parents are enrolled in Basic Health.
- Children receive expanded health benefits that are the same as those for clients covered by Healthy Options (Medicaid) plans.
- No premiums or co-payments required.
- In December 2004, 26,957 children were covered by Basic Health *Plus*. These children are reflected in the 664,983 children covered by Medicaid.
- Website: <http://basicealth.hca.wa.gov/plus.shtml>

Individual Insurance Market

- Individuals denied health insurance can enroll in the Washington State Health Insurance Pool (WSHIP), which has three benefit plans of varying structure, deductibles, and payments available to consumers.
- WSHIP premiums may be reduced for enrollees ages 50 to 64 whose gross income is no more than 300% FPL.
- Website: <http://www.wship.org/>

Issues/Concerns

- As health care costs increase, there is an increasing burden on employers who provide health insurance to employees. This has led to employers cutting back on coverage and raising employees' share of costs, especially for covered family members. As affordability has decreased, more people have sought public funding.

¹⁰ Basic Health Enrollment Summary, December 2004. Washington State Health Care Authority. June 2005.